



General Assembly

Substitute Bill No. 6593

January Session, 2003

***AN ACT EXTENDING PROVISIONS OF THE STATE CODE OF ETHICS
FOR LOBBYISTS TO MUNICIPAL LOBBYING.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective January 1, 2004*) As used in sections 1 to
2 16, inclusive, of this act, unless the context otherwise requires:

3 (1) "Administrative action" means any action or nonaction of any
4 agency of a municipality with respect to the proposal, drafting,
5 development, consideration, amendment, adoption or repeal of any
6 rule, regulation, ordinance, referendum, budget or utility rate, and any
7 action or nonaction of any agency, regarding a contract, grant, award,
8 purchasing agreement, loan, bond, certificate, license, permit or any
9 other matter which is within the official jurisdiction or cognizance of
10 such an agency.

11 (2) "Business organization" means a sole proprietorship,
12 corporation, limited liability company, association, firm or partnership,
13 other than a client lobbyist, which is owned by, or employs one or
14 more individual lobbyists.

15 (3) "Candidate for municipal office" means any person who has filed
16 a declaration of candidacy or a petition to appear on the ballot for
17 election as a municipal official, or who has raised or expended money
18 in furtherance of such candidacy, or who has been nominated for
19 appointment to serve as a municipal official.

20 (4) "Client lobbyist" means a lobbyist on behalf of whom lobbying
21 takes place and who makes expenditures for lobbying and in
22 furtherance of lobbying.

23 (5) "Commission" means the State Ethics Commission established
24 under section 1-80 of the general statutes.

25 (6) "Communicator lobbyist" means a lobbyist who communicates
26 directly or solicits others to communicate with an official or such
27 official's staff in a municipality for the purpose of influencing
28 legislative or administrative action.

29 (7) "Compensation" means any value received or to be received by a
30 person acting as a lobbyist, whether in the form of a fee, salary or
31 forbearance.

32 (8) "Expenditure" means any advance, conveyance, deposit,
33 distribution, transfer of funds, loan, payment, unless expressly
34 excluded; any payments for telephone, mailing, postage, printing and
35 other clerical or office services and materials; any paid
36 communications, costing fifty dollars or more in any calendar year,
37 disseminated by means of any printing, broadcasting or other
38 medium, provided such communications refer to pending
39 administrative or legislative action; any contract, agreement, promise
40 or other obligation; any solicitation or solicitations, costing fifty dollars
41 or more in the aggregate for any calendar year, of other persons to
42 communicate with a municipal official or municipal employee for the
43 purpose of influencing any legislative or administrative act and any
44 pledge, subscription of money or anything of value. "Expenditure"
45 shall not include the payment of a registrant's fee pursuant to section 6
46 of this act, any expenditure made by any club, committee, partnership,
47 organization, business, union, association or corporation for the
48 purpose of publishing a newsletter or other release to its members,
49 shareholders or employees, or contributions, membership dues or
50 other fees paid to associations, nonstock corporations or tax-exempt
51 organizations under Section 501(c) of the Internal Revenue Code of

52 1986, or any subsequent corresponding internal revenue code of the
53 United States, as from time to time amended.

54 (9) "Gift" means anything of value, which is directly and personally
55 received, unless consideration of equal or greater value is given in
56 return. "Gift" shall not include:

57 (A) A political contribution otherwise reported as required by law
58 or a donation or payment described in subdivision (9) or (10) of
59 subsection (b) of section 9-333b of the general statutes;

60 (B) Services provided by persons volunteering their time;

61 (C) A commercially reasonable loan made on terms not more
62 favorable than loans made in the ordinary course of business;

63 (D) A gift received from (i) the individual's spouse, fiance or fiancée,
64 (ii) the parent, brother or sister of such spouse or such individual, or
65 (iii) the child of such individual or the spouse of such child;

66 (E) Goods or services (i) which are provided to a municipality (I) for
67 use on municipal property, or (II) to support an event or the
68 participation by a municipal official or municipal employee at an
69 event, and (ii) which facilitate municipal action or functions. As used
70 in this subdivision, "municipal property" means property owned or
71 leased by the municipality;

72 (F) A certificate, plaque or other ceremonial award costing less than
73 one hundred dollars;

74 (G) A rebate, discount or promotional item available to the general
75 public;

76 (H) Printed or recorded informational material germane to
77 municipal action or functions;

78 (I) Food or beverage or both, costing less than fifty dollars in the
79 aggregate per recipient in a calendar year, and consumed on an

80 occasion or occasions at which the person paying, directly or
81 indirectly, for the food or beverage, or the person's representative, is in
82 attendance;

83 (J) A gift, including but not limited to, food or beverage or both,
84 provided by an individual for the celebration of a major life event;

85 (K) Gifts costing less than one hundred dollars in the aggregate or
86 food or beverage provided at a hospitality suite at a meeting or
87 conference of an interstate municipal association, by a person who is
88 not a registrant or is not doing business with the state of Connecticut;

89 (L) Admission to a charitable or civic event, including food and
90 beverage provided at such event, but excluding lodging or travel
91 expenses, at which a municipal official or municipal employee
92 participates in such official's or employee's official capacity, provided
93 such admission is provided by the primary sponsoring entity;

94 (M) Anything of value provided by an employer of (i) a municipal
95 official, (ii) a municipal employee, or (iii) a spouse of a municipal
96 official or municipal employee, to such official, employee or spouse,
97 provided such benefits are customarily and ordinarily provided to
98 others in similar circumstances; or

99 (N) Anything having a value of not more than ten dollars, provided
100 the aggregate value of all things provided by a donor to a recipient
101 under this subdivision in any calendar year shall not exceed fifty
102 dollars.

103 (10) "Immediate family" means any spouse, dependent children or
104 dependent relatives who reside in the individual's household.

105 (11) "Individual" means a natural person.

106 (12) "Legislative action" means introduction, sponsorship,
107 consideration, debate, amendment, passage, defeat, approval, veto,
108 overriding of a veto or any other official action or nonaction with
109 regard to any rule, regulation, ordinance, referendum, budget,

110 measure, resolution, amendment, nomination, appointment, report, or
111 any other matter pending or proposed in a legislative body of a
112 municipality, or any matter which is within the official jurisdiction or
113 cognizance of such legislative body.

114 (13) "Lobbying" means communicating directly or soliciting others
115 to communicate with any official or such official's staff in a
116 municipality, for the purpose of influencing any legislative or
117 administrative action except that the term "lobbying" does not include
118 (A) communications by or on behalf of a party to, or an intervenor in, a
119 contested case, as defined in regulations adopted by the commission in
120 accordance with the provisions of chapter 54 of the general statutes,
121 before a municipality, (B) communications by a representative of a
122 vendor or by an employee of the client lobbyist which representative
123 or employee acts as a salesperson and does not otherwise engage in
124 lobbying regarding any administrative action, (C) communications by
125 an attorney made while engaging in the practice of law and regarding
126 any matter other than legislative action or the proposal, drafting,
127 development, consideration, amendment, adoption or repeal of any
128 rule, regulation, ordinance, referendum or budget, or (D) other
129 communications exempted by regulations adopted by the commission
130 in accordance with the provisions of chapter 54 of the general statutes.

131 (14) "Lobbyist" means a person who in lobbying and in furtherance
132 of lobbying, with regard to a single municipality, makes or agrees to
133 make expenditures, or receives or agrees to receive compensation,
134 reimbursement, or both, and such compensation, reimbursement or
135 expenditures for a single municipality are two thousand dollars or
136 more in any calendar year or the combined amount thereof for a single
137 municipality is two thousand dollars or more in any such calendar
138 year. Lobbyist shall not include:

139 (A) A municipal official or municipal employee, or such official's or
140 employee's designee other than an independent contractor, who is
141 acting within the scope of such official's, employee's or designee's
142 authority or employment;

143 (B) A publisher, owner or an employee of the press, radio or
144 television while disseminating news or editorial comment to the
145 general public in the ordinary course of business;

146 (C) An individual representing such individual or another person
147 before the municipality other than for the purpose of influencing
148 legislative or administrative action;

149 (D) Any individual or employee who receives no compensation or
150 reimbursement specifically for lobbying and who limits such
151 individual's or employee's activities solely to formal appearances to
152 give testimony before public sessions of the legislative body of a
153 municipality and who, if such individual or employee testifies,
154 registers such individual's or employee's appearance in the records of
155 the legislative body;

156 (E) A member of an advisory board acting within the scope of such
157 member's appointment;

158 (F) Any person who receives no compensation or reimbursement
159 specifically for lobbying and who spends no more than five hours
160 lobbying or in furtherance of lobbying, unless such person, exclusive
161 of salary, receives compensation or makes expenditures, or both, of
162 two thousand dollars or more in any calendar year for lobbying or the
163 combined amount thereof is two thousand dollars or more in any such
164 calendar year;

165 (G) A communicator lobbyist who receives or agrees to receive
166 compensation, reimbursement, or both, the aggregate amount of which
167 is less than two thousand dollars from each client in any calendar year;

168 (H) A public official or state employee, as defined in section 1-79 of
169 the general statutes, other than an independent contractor, who is
170 acting within the scope of his or her authority or employment; or

171 (I) A senator or representative in Congress acting within the scope
172 of such senator's or representative's office.

173 (15) "Member of an advisory board" means any person appointed by
174 a municipal official as an advisor or consultant or member of a
175 committee, commission or council established to advise, recommend
176 or consult with a municipal official or a branch of municipal
177 government or a committee thereof and who receives no public funds
178 other than per diem payments or reimbursement for such person's
179 actual and necessary expenses incurred in the performance of such
180 person's official duties and who has no authority to expend any public
181 funds or to exercise the power of a municipality.

182 (16) "Municipal official" means any elected municipal officer or any
183 person appointed to any office of a municipality.

184 (17) "Municipal employee" means any employee of a municipality,
185 whether in the classified or unclassified service and whether full or
186 part-time.

187 (18) "Municipality" means any city, town, borough, municipal
188 corporation, municipal authority, school district, regional district,
189 metropolitan district or other district, having a population of twenty-
190 five thousand or more persons.

191 (19) "Person" means an individual, a business, corporation, limited
192 liability company, union, association, firm, partnership, committee,
193 club or other organization or group of persons.

194 (20) "Political contribution" has the same meaning as in section 9-
195 333b of the general statutes except that for purposes of sections 1 to 16,
196 inclusive, of this act, the provisions of subsection (b) of section 9-333b
197 of the general statutes shall not apply.

198 (21) "Registrant" means a person who is required to register
199 pursuant to section 5 of this act.

200 (22) "Reimbursement" means any money or thing of value received
201 or to be received in the form of payment for expenses as a lobbyist, not
202 including compensation.

203 Sec. 2. (NEW) (*Effective January 1, 2004*) The State Ethics Commission
204 shall:

205 (1) Adopt regulations in accordance with chapter 54 of the general
206 statutes to carry out the purposes of sections 1 to 16, inclusive, of this
207 act. The commission shall adopt regulations which further clarify the
208 meaning of the terms "directly and personally received" and "major life
209 event", as used in section 1 of this act;

210 (2) Compile and maintain an index of all reports and statements
211 filed with the commission under the provisions of sections 1 to 16,
212 inclusive, of this act and advisory opinions issued by the commission
213 with regard to the requirements of said sections, to facilitate public
214 access to such reports, statements and advisory opinions promptly
215 upon the filing or issuance thereof;

216 (3) Prepare quarterly and annual summaries of statements and
217 reports filed with the commission and advisory opinions issued by the
218 commission;

219 (4) Preserve advisory opinions permanently and preserve
220 memoranda filed under subsection (f) of section 4 of this act,
221 statements and reports filed by and with the commission for a period
222 of five years from the date of receipt;

223 (5) Upon the concurring vote of four of its members, issue advisory
224 opinions with regard to the requirements of this part, upon the request
225 of any person, subject to the provisions of sections 1 to 16, inclusive, of
226 this act, and publish such advisory opinions in the Connecticut Law
227 Journal. Advisory opinions rendered by the commission, until
228 amended or revoked, shall be binding on the commission and shall be
229 deemed to be final decisions of the commission for purposes of section
230 14 of this act. Any advisory opinion concerning any person subject to
231 the provisions of sections 1 to 16, inclusive, of this act who requested
232 the opinion and who acted in reliance thereon, in good faith, shall be
233 binding upon the commission, and it shall be an absolute defense in
234 any criminal action brought under the provisions of said sections that

235 the accused acted in reliance upon such advisory opinion;

236 (6) Report annually, prior to February fifteenth, to the Governor
237 summarizing the activities of the commission concerning sections 1 to
238 16, inclusive, of this act;

239 (7) Employ necessary staff within available appropriations to carry
240 out the purposes of sections 1 to 16, inclusive, of this act.

241 Sec. 3. (NEW) (*Effective January 1, 2004*) (a) (1) Upon the complaint of
242 any person on a form prescribed by the State Ethics Commission,
243 signed under penalty of false statement, or upon its own complaint,
244 the commission shall investigate any alleged violation of sections 1 to
245 16, inclusive, of this act. Not later than five days after the receipt or
246 issuance of such complaint, the commission shall provide notice of
247 such receipt or issuance and a copy of the complaint by registered or
248 certified mail to any respondent against whom such complaint is filed
249 and shall provide notice of the receipt of such complaint to the
250 complainant. When the commission undertakes an evaluation of a
251 possible violation of sections 1 to 16, inclusive, of this act prior to the
252 filing of a complaint by the commission, the subject of the evaluation
253 shall be notified within five business days after a commission staff
254 member's first contact with a third party concerning the matter.

255 (2) In the conduct of its investigation of an alleged violation of
256 sections 1 to 16, inclusive, of this act, the commission shall have the
257 power to hold hearings, administer oaths, examine witnesses, receive
258 oral and documentary evidence, subpoena witnesses under procedural
259 rules adopted by the commission as regulations in accordance with the
260 provisions of chapter 54 of the general statutes to compel attendance
261 before the commission and to require the production for examination
262 by the commission of any document or physical evidence that the
263 commission deems relevant in any matter under investigation or in
264 question. In the exercise of such powers, the commission may use the
265 services of the state police, who shall provide the same upon the
266 commission's request. The commission shall make a record of all

267 proceedings conducted pursuant to this subsection. Any witness
268 summoned before the commission shall receive the witness fee paid to
269 witnesses in the courts of this state. The respondent shall have the
270 right to appear and be heard and to offer any information which may
271 tend to clear the respondent of probable cause to believe that the
272 respondent has violated any provision of sections 1 to 16, inclusive, of
273 this act. The respondent shall also have the right to be represented by
274 legal counsel and to examine and cross-examine witnesses. Not later
275 than ten days prior to the commencement of any hearing conducted
276 pursuant to this subsection, the commission shall provide the
277 respondent with a list of its intended witnesses. The commission shall
278 make no finding that there is probable cause to believe the respondent
279 is in violation of sections 1 to 16, inclusive, of this act, except upon the
280 concurring vote of four of its members.

281 (b) If a preliminary investigation indicates that probable cause exists
282 for the violation of a provision of sections 1 to 16, inclusive, of this act,
283 the commission shall initiate hearings to determine whether there has
284 been a violation of said sections. A judge trial referee, who shall be
285 assigned by the Chief Court Administrator and who shall be
286 compensated in accordance with section 52-434 of the general statutes
287 out of funds available to the commission, shall preside over such
288 hearing and shall rule on all matters concerning the application of the
289 rules of evidence, which shall be the same as in judicial proceedings.
290 The trial referee shall have no vote in any decision of the commission.
291 All hearings of the commission held pursuant to this subsection shall
292 be open. At such hearing the commission shall have the same powers
293 as under subsection (a) of this section and the respondent shall have
294 the right to be represented by legal counsel, the right to compel
295 attendance of witnesses and the production of books, documents,
296 records and papers and to examine and cross-examine witnesses. Not
297 later than ten days prior to the commencement of any hearing
298 conducted pursuant to this subsection, the commission shall provide
299 the respondent with a list of its intended witnesses. The judge trial
300 referee shall, while engaged in the discharge of the judge trial referee's

301 duties as provided in this subsection, have the same authority as is
302 provided in section 51-35 of the general statutes over witnesses who
303 refuse to obey a subpoena or to testify with respect to any matter upon
304 which such witness may be lawfully interrogated, and may commit
305 any such witness for contempt for a period no longer than thirty days.
306 The commission shall make a record of all proceedings pursuant to
307 this subsection. The commission shall find no person in violation of
308 any provision of sections 1 to 16, inclusive, of this act except upon the
309 concurring vote of five of its members. Not later than fifteen days after
310 the public hearing conducted in accordance with this subsection, the
311 commission shall publish its finding and a memorandum of the
312 reasons for such finding. Such finding and memorandum shall be
313 deemed to be the final decision of the commission on the matter for the
314 purposes of chapter 54 of the general statutes. The respondent, if
315 aggrieved by the finding and memorandum, may appeal therefrom to
316 the Superior Court in accordance with the provisions of section 4-183
317 of the general statutes.

318 (c) If any complaint brought under the provisions of sections 1 to 16,
319 inclusive, of this act is made with the knowledge that it is made
320 without foundation in fact, the respondent shall have a cause of action
321 against the complainant for double the amount of damage caused
322 thereby and if the respondent prevails in such action, the respondent
323 may be awarded by the court the costs of such action together with
324 reasonable attorneys' fees.

325 (d) No complaint may be made under this section except within
326 three years next after the violation alleged in the complaint has been
327 committed.

328 (e) No person shall take or threaten to take official action against an
329 individual for such individual's disclosure of information to the
330 commission under the provisions of sections 1 to 16, inclusive, of this
331 act. After receipt of information from an individual under the
332 provisions of sections 1 to 16, inclusive, of this act, the commission
333 shall not disclose the identity of such individual without the

334 individual's consent unless the commission determines that such
335 disclosure is unavoidable during the course of an investigation.

336 Sec. 4. (NEW) (*Effective January 1, 2004*) (a) Unless the State Ethics
337 Commission makes a finding of probable cause, a complaint alleging a
338 violation of sections 1 to 16, inclusive, of this act shall be confidential
339 except upon the request of the respondent. A commission evaluation
340 of a possible violation of said sections undertaken prior to a complaint
341 being filed by the commission shall be confidential except upon the
342 request of the subject of the evaluation. If the evaluation is
343 confidential, no information supplied to or received from the
344 commission shall be disclosed to any third party by a subject of the
345 evaluation, a person contacted for the purpose of obtaining
346 information or by a commission or staff member. No provision of this
347 subsection shall prevent the commission from reporting the possible
348 commission of a crime to the Chief State's Attorney or other
349 prosecutorial authority.

350 (b) An investigation conducted prior to a probable cause finding
351 shall be confidential except upon the request of the respondent. If the
352 investigation is confidential, the allegations in the complaint and any
353 information supplied to or received from the commission shall not be
354 disclosed during the investigation to any third party by a complainant,
355 respondent, witness, designated party, or commission or staff member.

356 (c) Not later than three business days after the termination of the
357 investigation, the commission shall inform the complainant and the
358 respondent of its finding and provide them a summary of its reasons
359 for making that finding. The commission shall publish its finding upon
360 the respondent's request and may also publish a summary of its
361 reasons for making such finding.

362 (d) If the commission makes a finding of no probable cause, the
363 complaint and the record of its investigation shall remain confidential,
364 except upon the request of the respondent and except that some or all
365 of the record may be used in subsequent proceedings. No complainant,

366 respondent, witness, designated party, or commission or staff member
367 shall disclose to any third party any information learned from the
368 investigation, including knowledge of the existence of a complaint,
369 which the disclosing party would not otherwise have known. If such a
370 disclosure is made, the commission may, after consultation with the
371 respondent if the respondent is not the source of the disclosure,
372 publish its finding and a summary of its reasons therefor.

373 (e) The commission shall make public a finding of probable cause
374 not later than five business days after the termination of the
375 investigation. At such time the entire record of the investigation shall
376 become public, except that the commission may postpone examination
377 or release of such public records for a period not to exceed fourteen
378 days for the purpose of reaching a stipulation agreement pursuant to
379 subsection (c) of section 4-177 of the general statutes.

380 Sec. 5. (NEW) (*Effective January 1, 2004*) (a) A lobbyist shall register
381 with the State Ethics Commission pursuant to section 6 of this act for
382 lobbying a municipality if the lobbyist:

383 (1) Receives or agrees to receive compensation or reimbursement for
384 actual expenses, or both, in a combined amount of two thousand
385 dollars or more in a calendar year for lobbying said municipality,
386 whether that receipt of compensation or reimbursement or agreement
387 to receive such compensation or reimbursement is solely for lobbying
388 or the lobbying is incidental to that person's regular employment; or

389 (2) Makes or incurs an obligation to make expenditures of two
390 thousand dollars or more in a calendar year for lobbying said
391 municipality.

392 (b) A lobbyist shall register separately with the commission for each
393 municipality for which the lobbyist meets the threshold requirement
394 for registering under subsection (a) of this section.

395 (c) A person who is a lobbyist pursuant to part II of chapter 10 of the
396 general statutes and is required to register with the commission

397 pursuant to section 1-94 of the general statutes shall register separately
398 with the commission for each municipality for which the lobbyist
399 meets the threshold requirement for registering under subsection (a) of
400 this section.

401 Sec. 6. (NEW) (*Effective January 1, 2004*) (a) Each registrant shall file
402 annually with the State Ethics Commission on a separate registration
403 form for each municipality for which the registrant meets the threshold
404 requirement for registering under subsection (a) of section 5 of this act.
405 The registrant shall sign each such form under penalty of false
406 statement and file such forms with the commission on or before
407 January fifteenth or prior to the commencement of lobbying,
408 whichever is later. If the registrant is not an individual, an authorized
409 officer or agent of the registrant shall sign each form. Such registration
410 or registrations shall be on a form prescribed by the commission and
411 shall include:

412 (1) If the registrant is an individual, the registrant's name,
413 permanent address and temporary address while lobbying and the
414 name, address and nature of business of any person who compensates
415 or reimburses, or agrees to compensate or reimburse the registrant and
416 the terms of the compensation, reimbursement or agreement, but shall
417 not include the compensation paid to an employee for the employee's
418 involvement in activities other than lobbying;

419 (2) If the registrant is a corporation, the name, address, place of
420 incorporation and the principal place of business of the corporation;

421 (3) If the registrant is an association, group of persons or an
422 organization, the name and address of the principal officers and
423 directors of such association, group of persons or organization. If the
424 registrant is formed primarily for the purpose of lobbying, it shall
425 disclose the name and address of any person contributing two
426 thousand dollars or more to the registrant's lobbying activities in any
427 calendar year;

428 (4) If the registrant is not an individual, the name and address of

429 each individual who will lobby on the registrant's behalf; and

430 (5) The name of the municipality that the registrant is lobbying and
431 the identification, with reasonable particularity, of areas of legislative
432 action or administrative action on which the registrant expects to
433 lobby.

434 (b) Each registrant shall pay a reasonable fee not in excess of the cost
435 of administering each registration form provided for in subsection (a)
436 of this section plus the cost of collecting, filing, copying and
437 distributing the information filed by registrants under section 7 of this
438 act, but not less than twenty-five dollars.

439 (c) Each registrant shall file a notice of termination within thirty
440 days after the registrant ceases the activity that required registration,
441 provided the registrant does not intend to resume the activity during
442 the annual period for which the registrant is registered. The
443 termination of a registration shall not relieve the registrant of the
444 reporting requirements of section 7 of this act for the period preceding
445 the date that the registrant's notice of termination is received by the
446 commission or for the period commencing on such date and ending on
447 December thirty-first of the year in which termination occurs.

448 Sec. 7. (NEW) (*Effective January 1, 2004*) (a) Each client lobbyist
449 registrant shall file with the State Ethics Commission between the first
450 and tenth day of April, July, October and January a financial report,
451 signed under penalty of false statement. Each report shall cover its
452 lobbying activities during the previous calendar quarter. If the client
453 lobbyist registrant is not an individual, an authorized officer or agent
454 of the client lobbyist registrant shall sign the form.

455 (b) Each individual communicator lobbyist registrant and each
456 business organization communicator lobbyist registrant shall file with
457 the commission between the first and tenth day of January a report or
458 reports, signed under penalty of false statement, reporting the
459 amounts of compensation and reimbursement received from each of
460 the registrant's clients during the previous year. In addition, each

461 individual communicator lobbyist registrant and each business
462 organization communicator lobbyist registrant shall: (1) Report the
463 fundamental terms of contracts, agreements or promises to pay or
464 receive compensation or reimbursement or to make expenditures in
465 furtherance of lobbying, including the categories of work to be
466 performed and the dollar value or compensation rate of the contract, at
467 the time of registration; (2) report, in accordance with the schedule set
468 forth in subsection (a) of this section, any amendments to these
469 fundamental terms, including any agreements to subcontract lobbying
470 work; and (3) report, in accordance with the schedule set forth in
471 subsection (a) of this section, any expenditures for the benefit of a
472 municipal official or a member of the staff or immediate family of the
473 municipal official that are unreimbursed and required to be itemized.
474 Such report shall not include the disclosure of food and beverage
475 provided by a communicator lobbyist registrant to a municipal official
476 or a member of the municipal official's staff or immediate family at a
477 major life event, as defined by the commission, of the registrant. All
478 such information shall be reported under penalty of false statement.

479 (c) An individual communicator lobbyist registrant shall file a
480 separate report for each person from whom the registrant received
481 compensation or reimbursement. Notwithstanding any provision of
482 this subsection to the contrary, a business organization to which one or
483 more individual communicator lobbyist registrants belongs may file a
484 single report for each client lobbyist in lieu of any separate reports that
485 individual registrants are required to file pursuant to this subsection.

486 (d) Each registrant who files a notice of termination under
487 subsection (c) of section 6 of this act shall file with the commission a
488 financial report, under penalty of false statement, between the first and
489 tenth day of January of the year following termination.

490 (e) Each client lobbyist registrant financial report shall be on a form
491 prescribed by the commission and shall state expenditures made and
492 the fundamental terms of contracts, agreements or promises to pay
493 compensation or reimbursement or to make expenditures in

494 furtherance of lobbying. Any such fundamental terms shall be
495 reported once in the quarterly or post-termination report next
496 following the entering into of such contract. Such financial report shall
497 include an itemized statement of each expenditure of ten dollars or
498 more per person for each occasion made by the reporting registrant or
499 a group of registrants that includes the reporting registrant for the
500 benefit of a municipal official or a member of the municipal official's
501 staff or immediate family, itemized by date, beneficiary, amount and
502 circumstances of the transaction. The requirement of an itemized
503 statement shall not apply to an expenditure made by a reporting
504 registrant or a group of registrants which includes the reporting
505 registrant for benefits personally and directly received by a municipal
506 official or municipal employee at a charitable or civic event at which
507 the municipal official or municipal employee participates in such
508 official's or employee's official capacity, unless the expenditure is thirty
509 dollars or more per person, per event. If the compensation is required
510 to be reported for an individual whose lobbying is incidental to such
511 individual's regular employment, it shall be sufficient to report a
512 prorated amount based on the value of the time devoted to lobbying.
513 On the first financial report following registration each client lobbyist
514 registrant shall include any expenditures incident to lobbying activities
515 that were received or expended prior to registration and not
516 previously reported to the commission.

517 (f) The commission shall, by regulations adopted in accordance with
518 chapter 54 of the general statutes, establish minimum amounts for each
519 item required to be reported, below which reporting may be made in
520 the aggregate. The provisions of this subsection shall not apply to
521 expenditures made for the benefit of a municipal official or a member
522 of such person's staff or immediate family.

523 (g) Each former registrant shall (1) report receipts or expenditures
524 incident to lobbying activities during the former registrant's period of
525 registration that are received or expended following termination of
526 registration and (2) report each expenditure of ten dollars or more per
527 person for each occasion made by the former registrant for the benefit

528 of a municipal official or a member of such official's immediate family
529 or staff that occurs within six months after termination of registration.

530 (h) The commission shall, within thirty days after receipt of a
531 financial report that contains the name of a municipal official or a
532 member of such official's staff or immediate family, send a written
533 notice to such official, of the filing of the report and the name of the
534 person who filed it.

535 Sec. 8. (NEW) (*Effective January 1, 2004*) (a) Each registrant shall
536 obtain and preserve all accounts, bills, receipts and other documents
537 necessary to substantiate the financial reports required by section 7 of
538 this act for a period of three years from the date of the filing of the
539 report referring to such financial matters, provided this section shall
540 apply to each expenditure for the benefit of a municipal official of ten
541 dollars or more and all other expenditures of fifty dollars or more.

542 (b) The State Ethics Commission may require, on a random basis,
543 any registrant to make all such documents substantiating financial
544 reports concerning lobbying activities available for inspection and
545 copying by the commission for the purpose of verifying such financial
546 reports, provided no registrant shall be subject to such requirement
547 more than one time during any three consecutive years. The
548 commission shall select registrants to be audited by lot in a ceremony
549 which shall be open to the public. Nothing in this subsection shall
550 require a registrant to make any documents concerning nonlobbying
551 activities available to the commission for inspection and copying.

552 Sec. 9. (NEW) (*Effective January 1, 2004*) Each registrant required to
553 file any financial reports under section 7 of this act shall do so in
554 electronic form using the electronic filing program developed by the
555 State Ethics Commission.

556 Sec. 10. (NEW) (*Effective January 1, 2004*) The State Ethics
557 Commission shall make all computerized data from financial reports
558 required by section 7 of this act available to the public through (1) a
559 computer terminal in the office of the commission, and (2) the Internet

560 or any other generally available on-line computer network.

561 Sec. 11. (NEW) (*Effective January 1, 2004*) Each registrant who pays
562 or reimburses a municipal official or municipal employee ten dollars
563 or more for necessary expenses shall, within thirty days, file a
564 statement with the commission indicating the name of such individual
565 and the amount of the expenses. As used in this section, "necessary
566 expenses" means a municipal official's or municipal employee's
567 expenses for an article, appearance or speech or for participation at an
568 event, in such official's or employee's official capacity, which shall be
569 limited to necessary travel expenses, lodging for the nights before, of
570 and after the appearance, speech or event, meals and any related
571 conference or seminar registration fees.

572 Sec. 12. (NEW) (*Effective January 1, 2004*) (a) No registrant or anyone
573 acting on behalf of a registrant shall knowingly give a gift to any
574 municipal official, municipal employee, candidate for municipal office
575 or a member of any such person's staff or immediate family. Nothing
576 in this section shall be construed to permit any activity prohibited
577 under section 53a-147 or 53a-148 of the general statutes.

578 (b) No person or business organization shall be employed to lobby
579 for compensation which is contingent upon the outcome of any
580 administrative or legislative action. No person shall employ a lobbyist
581 or business organization for compensation that is contingent upon the
582 outcome of any administrative or legislative action.

583 (c) No lobbyist may: (1) Do anything with the purpose of placing
584 any municipal official under personal obligation; (2) attempt to
585 influence any legislative action or administrative action for the
586 purpose of thereafter being employed to secure its defeat; (3) cause any
587 communication to be sent to any municipal official in the name of any
588 other individual except with the consent of such individual.

589 (d) Any person who gives to a municipal official, municipal
590 employee or candidate for municipal office, or a member of any such
591 person's staff or immediate family anything of value which is subject

592 to the reporting requirements pursuant to subsection (e) of section 7 of
593 this act shall, not later than ten days thereafter, give such recipient a
594 written report stating the name of the donor, a description of the item
595 or items given, the value of such items and the cumulative value of all
596 items given to such recipient during that calendar year. The provisions
597 of this subsection shall not apply to a political contribution otherwise
598 reported as required by law.

599 Sec. 13. (NEW) (*Effective January 1, 2004*) Any person aggrieved by
600 any final decision of the State Ethics Commission, made pursuant to
601 sections 1 to 16, inclusive, of this act, may appeal such decision in
602 accordance with the provisions of section 4-175 or 4-183 of the general
603 statutes.

604 Sec. 14. (NEW) (*Effective January 1, 2004*) (a) The State Ethics
605 Commission, upon a finding made pursuant to section 3 of this act that
606 there has been a violation of any provision of sections 1 to 16,
607 inclusive, of this act, shall have the authority to order the violator to do
608 any or all of the following: (1) Cease and desist the violation of said
609 sections; (2) file any report, statement or other information as required
610 by said sections; or (3) pay a civil penalty of not more than two
611 thousand dollars for each violation of said sections. The commission
612 may prohibit any person who intentionally violates any provision of
613 said sections from engaging in the profession of lobbyist for a period of
614 not more than two years. In addition to such provisions, the
615 commission may impose a civil penalty on any person who violates
616 subsection (b) of section 12 of this act by receiving, agreeing to receive,
617 paying, or agreeing to pay, compensation that is contingent upon the
618 outcome of any administrative or legislative action or by terminating a
619 lobbying contract as the result of the outcome of an administrative
620 action or legislative action. The civil penalty shall not exceed the total
621 amount of compensation that the person was required to pay or be
622 paid under the contingent compensation agreement. No person may
623 benefit from an agreement that violates subsection (b) of section 12 of
624 this act.

625 (b) Notwithstanding the provisions of subsection (a) of this section,
 626 the commission may, after a hearing conducted in accordance with
 627 sections 4-176e to 4-184, inclusive, of the general statutes upon the
 628 concurring vote of five of its members, impose a civil penalty not to
 629 exceed ten dollars per day upon any registrant who fails to file any
 630 report, statement or other information as required by sections 1 to 16,
 631 inclusive, of this act. Each distinct violation of this subsection shall be a
 632 separate offense and, in case of a continued violation, each day thereof
 633 shall be deemed a separate offense. In no event shall the aggregate
 634 penalty imposed for such failure to file exceed two thousand dollars.

635 (c) The commission may also report its finding to the Chief State's
 636 Attorney for any action deemed necessary.

637 Sec. 15. (NEW) (*Effective January 1, 2004*) Any person who
 638 intentionally violates any provision of sections 1 to 16, inclusive, of this
 639 act shall be imprisoned for a term not to exceed one year or shall be
 640 fined an amount not to exceed two thousand dollars, or both.

641 Sec. 16. (NEW) (*Effective January 1, 2004*) Each individual who is a
 642 lobbyist shall, while engaged in lobbying, wear a distinguishing badge
 643 which shall identify the individual as a lobbyist. The size, color,
 644 material and other requirements of such badge shall be prescribed by
 645 regulation of the State Ethics Commission.

This act shall take effect as follows:	
Section 1	<i>January 1, 2004</i>
Sec. 2	<i>January 1, 2004</i>
Sec. 3	<i>January 1, 2004</i>
Sec. 4	<i>January 1, 2004</i>
Sec. 5	<i>January 1, 2004</i>
Sec. 6	<i>January 1, 2004</i>
Sec. 7	<i>January 1, 2004</i>
Sec. 8	<i>January 1, 2004</i>
Sec. 9	<i>January 1, 2004</i>
Sec. 10	<i>January 1, 2004</i>
Sec. 11	<i>January 1, 2004</i>

Sec. 12	<i>January 1, 2004</i>
Sec. 13	<i>January 1, 2004</i>
Sec. 14	<i>January 1, 2004</i>
Sec. 15	<i>January 1, 2004</i>
Sec. 16	<i>January 1, 2004</i>

Statement of Legislative Commissioners:

In subparagraph (B) of subdivision (13) of section 1, the word "registered" before "client lobbyist" was deleted for statutory consistency.

GAE *Joint Favorable Subst.-LCO*